

**STATEMENT OF
KEITH M. WILSON
DIRECTOR, EDUCATION SERVICE
VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

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Good afternoon Chairwoman Herseth, Ranking Member Boozman, and members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the two education benefit programs administered by the Department of Veterans Affairs (VA) for National Guard and Reserve members of the U.S. Armed Forces, namely, the Montgomery GI Bill—Selected Reserve (MGIB—SR), chapter 1606 of title 10, United States Code, and the Reserve Educational Assistance Program (REAP), chapter 1607 of title 10, United States Code.

Reserve/Guard Education Benefit Programs

The MGIB – SR provides members of the Selected Reserve with educational assistance, generally in the form of monthly benefits, to assist them in reaching their educational or vocational goals. The REAP provides an enhanced benefit for reservists and those in the National Guard who are activated for more than 90 days due to an emergency or contingency as defined by the President or Congress. Reservist and Guard education benefits support recruitment and retention efforts, and enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

Workload and Usage

The education claims processing workload for the MGIB-SR increased steadily from 2001 through 2006. In 2006, VA received more than 261,000 MGIB-SR benefit claims and 68,000 REAP benefit claims. Through the end of February, fiscal year 2007, we received nearly 98,000 MGIB-SR benefit claims and 52,000 REAP benefit claims. Comparing fiscal year 2006 through February to the same period in fiscal year 2007, claims for reservist benefits under both programs have increased by 27%.

Although the MGIB-SR original claims continued to increase by 5%, supplemental enrollments dropped 20%. We believe this indicates that former MGIB-SR recipients are converting in substantial numbers to REAP. The total supplemental workload for the two benefits programs has increased by 11%.

The Department of Defense has informed us that, between 1986 and 2006, more than 1.5 million Selected Reserve members gained eligibility for the MGIB-SR benefits. Forty-two percent of them have applied for educational assistance.

In fiscal year 2006, over \$122 million in benefits was paid to over 66,000 Selected Reserve members participating in the MGIB-SR program. In fiscal year 2006, over \$153 million in benefits was paid to almost 24,000 REAP participants. Through the end of February, fiscal year 2007, over \$71 million in benefits was paid to more than 43,000 Selected Reserve members participating in the MGIB-SR program, and over \$93 million in benefits to over 28,000 REAP participants.

Performance

This year we are making progress toward achievement of our performance goals. Our targets for the end of fiscal year 2007 are to process original claims in 35 days and to process supplemental claims in 15 days.

Timeliness has improved for supplemental claims processing. Average days to complete MGIB-SR supplemental claims dropped from 20 days in fiscal year 2006 to 17 days through February of fiscal year 2007. Similarly, average days to complete REAP supplemental claims dropped from 19 days in fiscal year 2006 to 17 days through February of fiscal year 2007.

Timeliness has likewise improved for original claims processing. Average days to complete MGIB-SR original claims decreased from 35 days in fiscal year 2006 to 29 days through February of fiscal year 2007. Average days to complete REAP original claims dropped from 60 days in fiscal year 2006 to 42 days through February of fiscal year 2007.

Outreach

Expanded outreach has led to increased benefit usage. We have distributed more than 300,000 copies of our new REAP brochure to activated Guard and Reserve units nationwide. More than 46,000 REAP informational DVD discs are also being produced, along with almost 65,000 informational discs on both the MGIB-Active Duty and MGIB-SR programs. The goal is to have the informational discs distributed to all military installations by the end of March 2007. Additionally, we will soon begin direct

mailing of REAP informational material to activated Guard and Reserve members, as we now do for Chapter 30-eligible servicemembers.

Education Service will continue to enhance current outreach efforts to better serve the informational needs of members of the Guard and Reserves currently using or potentially eligible for VA education benefits.

Information Technology Highlights

We continue our efforts to migrate all claims processing work from the legacy claims processing system into the new VA corporate environment. The Education Expert System (TEES) is a multi-year initiative that, when fully deployed, will electronically receive and process application and enrollment information. TEES will enable us to further improve both the timeliness and quality of education claims processing.

The first phase of TEES implementation is the Web-Enabled Approval Management System (WEAMS). WEAMS is the approval repository for educational and job training programs; licensing and certification tests; and national admittance exams such as ACT, SAT, GMAT, or advanced placement exams maintained in the VA corporate environment. WEAMS, a single repository, merged two existing approval systems – the On-Line Approval File (OLAF), which contained approvals for educational and job training programs, and the Licensing and Certification Approval System (LACAS), which contained the approvals for licenses and certifications. The consolidation of these legacy applications into a single repository allows our education liaison representatives to process and maintain approval information more efficiently.

Similarly, WEAMS frees claims examiners from searching for approvals in separate locations, providing more time to process education benefit claims. The public can now access WEAMS on-line to learn which programs are approved for VA training.

The Web Automated Verification of Enrollment (WAVE), found at <https://www.gibill.va.gov/wave>, has been fully operational since July 2001. This site allows individuals receiving MGIB-SR benefits to verify enrollment, notify VA of changes in course load, change their address, or establish direct deposit. Allowing beneficiaries to verify their continued enrollment each month over the Internet, instead of mailing the verification form to VA, enables them to receive their monthly benefits more quickly. MGIB-SR beneficiaries may also verify enrollment by calling our toll-free interactive voice response (IVR) telephone line.

In addition, VA-ONCE, an application that allows school certifying officials to transmit enrollment data electronically to VA, has been in use since fiscal year 2003 and has been well received. In fiscal year 2005, approximately 88 percent of all enrollment data was received electronically.

Conclusion

The VA will continue to strive to ensure that the administration of education benefit programs is as smooth as possible on behalf of the honorable men and women serving our nation who are eligible for these benefits, including MGIB-SR and REAP.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions you or any of the other members of the Subcommittee may have.